

## **Islamic Finance Rules (IFR)**

\*In this attachment underlining indicates new text and striking through indicates deleted text.

## 2.4 Islamic financial instruments and products

### Authorised Persons

2.4.1 Unless otherwise stated in these Islamic Finance Rules, an Authorised Person (whether acting as an Islamic Financial Institution or through an Islamic Window) will be entitled to carry on any Regulated Activity or specified category of Regulated Activity as Islamic Financial Business provided that:

- (a) it has complied with all other applicable provisions of the Rulebooks issued by the Regulator in relation to the Regulated Activity or specified category of Regulated Activity to be carried on as Islamic Financial Business; and
- (b) the carrying on of such Regulated Activity or specified category of Regulated Activity as an Islamic Financial Business has been approved by its Shari'a Supervisory Board.

### Guidance

...

- (x) Specified Investments are defined paragraphs 84 to 99 of FSMR. Any of the conventional specified investments defined paragraphs 85 to 99 of Schedule 1 to FSMR can be offered in Shari'a-compliant form, provided that the directions of the Shari'a Supervisory Board engaged in connection with such offer are complied with. Shari'a-compliant Specified Investment include, without limitation:

...

- (F) rights under a Credit Facility Agreement where such Credit Facility Agreement is structured in the form of a Shari'a-compliant Credit Facility agreement including, without limitation, Shari'a-compliant Credit Facilities agreements using a Murabaha, Ijara, Istisna'a/Ijara, Wakala, Mudaraba and/or Musharaka structure.

- (xi) The Regulator will, when considering whether or not a Shari'a-compliant investment is a Specified Investment, take a "substance over form" approach giving particular weight to the economic substance of a particular investment over the legal and/or Shari'a form taken by that investment.

- (xii) The ADGM regulatory regime applies to Authorised Persons who carry on in the ADGM any regulatory activity in relation to any Shari'a-compliant products that fall within the definition of Specified Investments. However, particular products or instruments including, without limitation, Profit Sharing Investment Accounts (PSIAs), Takaful and Islamic Funds attract product/instrument specific additional conduct and other requirements, which are included in these Islamic Finance Rules.

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**2.5 Shari'a-compliant Regulated Activity**

2.5.1 For the purposes of paragraph 64 of Schedule 1 to FSMR, carrying on a Regulated Activity in manner that complies with Shari'a is a specified kind of activity. Such Shari'a-compliant Regulated Activities shall include without limitation:

- ...
- (g) providing Shari'a-compliant Credit under Credit FacilitiesAgreements;